

KEOWEE COURIER.

"TO THINE OWN SELF BE TRUE, AND IT MUST FOLLOW, AS THE NIGHT THE DAY, THOU CANST NOT THEN BE FALSE TO ANY MAN."

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REPORT

OF THE JOINT SPECIAL COMMITTEE OF INSPECTION FOR THE BANK OF THE STATE OF SOUTH CAROLINA IN CHARLESTON.

(Concluded.)

It appears to the committee, looking to the security of the debt, there was no good reason for purchasing the property on account of the bank, and that it would have been better not to have done so. Perhaps if the bank had not bought, the property might not have sold for quite as much as it did, but the deficiency could not have been very considerable, and could have been made up by other securities held by the bank. On the 16th February, 1846, the President having reported that the sale was confirmed, the board ordered the property to be advertised, and it was advertised, notwithstanding they had not received the cash. On the 20th April, they resolved to add to the advertisement that sealed offers would be received by the Cashier until the 1st of May. On the 18th May, a letter was received from an association, a bid in general terms, the particulars of which were to be afterwards explained, and the board thereupon appointed a committee to confer with him. On 21st May, he addressed a letter to the committee explaining more particularly the terms of his offer, alleged to be made for himself, Wade Hampton, and Mrs. R. A. Brown, and such other persons as might come in. The sum offered was \$147,57.02, which was said to be the true amount of the company to the bank. For though it was considerably more if interest was computed on the bond, and compounded as it is in the Master's report, which makes the amount due on the bond, including interest to the 1st March, 1847, \$140,256.62; yet as the bond and mortgage were intended only as additional and collateral security for the notes, the amount due on the notes was the true measure of that portion of the debt, viz.

Interest to 10th Sept. '45,	\$87,000
Notes of W. Clark and others at Columbia Branch	35,114
Interest to 18th May, '46	13,700
Balance of amount paid for judgements of Insurance and Trust Co. vs. Hampton and others	3,000
Interest to 18th May, 1845	8,128.56
	613.32
Total	\$147,557.02

The reason assigned for stopping the payment of interest on the notes covered by the bond on the 10th September, 1845, was that the bank became the owners of the property on that day, and though he and Col. Hampton had carried on the works, it had been without profit, and probably saved the bank from loss.

It was further proposed that the bank should receive and credit, on account of the price offered, the following notes, viz:

P M Butler's note	\$5,000 00
Interest to 18th May, 1846;	670 85
J M Taylor's note	5,000 00
W E Martin's note	3,000 00
W Nesbitt's note	6,000 00
And the bonds and cash received by the Master in Equity, for property sold to other parties than the bank	5,175 00

The notes or bonds of the above parties, to be at 1, 2, 3, 4 and 5 years, and for Col. Nesbitt, 7 years; on condition that they bear interest, and be fully and satisfactorily secured. For the balance, the bond of all the purchasers, secured by mortgage of all the property on hand, or to be acquired, and further secured by a bond from each stockholder in the new company, for 30 per cent of his stock, with satisfactory personal security or mortgage of other property. The bylaws discharge W E Martin, J W Nesbitt, on their com-

plying with the above terms, but to hold its securities, unimpaired, against all others, until each complies or is discharged. All payments made by the company, or with funds credited on the company's bond, to be credited proportionally on the individual bonds, for 30 per cent, so as to extinguish them when 30 per cent of the principal of the general bond is paid. Each stockholder to be allowed, at any time, to pay off his 30 per cent, and have his bond released; and in such case his payment not to ensure to the benefit of the others, on their 30 per cent bonds.

This offer was signed by Col. Elmore, but there was nothing in writing to show that he was authorized to bind the other parties named. No written agreement was signed by either of the parties, and there is nothing on the minutes of the board, or in the possession of the bank, to show that the offer was accepted, until the 29th of November, 1847, when it appears from the minutes of the board, that a letter was received from Col. Elmore, in which, after stating that the arrangements for the execution of the mortgage had not been completed, owing to circumstances, in a great measure, beyond his control; and latterly, to the state of his health, he offered to deposit with the board, as pledges for the performance of his part of the contract, the following securities, viz: a certificate for one hundred shares in the Macon and Western Railroad in Georgia, and a certificate for 180 shares in the South Carolina Rail road, and also a mortgage of, or obligation to mortgage, a plantation in Alabama, of 1700 or 1800 acres, and 50 negroes on it, which offer the board resolved it was expedient to accept, and at the same time declaring that they had not required any such measure, and that the offer was voluntarily made. The certificates of stock were in his possession, and he had been executed. A mortgage of a plantation and 57 negroes, has been lately executed, and is now in possession of the Cashier. From this action of the board, it is to be inferred that the offer to purchase, stated above, was accepted, but the terms have never been complied with, and the whole matter, though it stands on the books of the bank as a bond, is in fact, an unexecuted contract for the sale of the of the iron works, lands and negroes for \$147,557.02, to be secured in the manner mentioned in the offer. The bank has not even taken deeds of conveyance of the property from the Master in Equity, and the bonds and cash arising from the sale of that part of it which was bought by other parties, and to which the bank is entitled, still remains in his hands. In the meantime the securities, which the bank holds for this debt of \$147,557.02, with interest from 18th May, 1846, are as follows, viz:

1. The lands, iron works, and negroes. These have lately been appraised by the Hon. David Johnson, Dr. Samuel Otterson, and Dr. William B. Nott, three of five gentlemen of the neighborhood, who were requested by the committee to perform that service. By their appraisal, which is appended hereto (schedule II.) the lands, improvements, machinery, &c., are valued at \$90,623.50. The negroes, 195 in number, at \$101,675 and the live stock, wagons, carts, &c. at \$7,760, making an aggregate of \$210,058.50. But the improvements, machinery, &c. are estimated at 75,000, and as their value depends almost entirely upon the success of the enterprise, and 27 of the negroes are valued at 1,000 each, being mechanics and handicraftsmen, the committee are of opinion, that regarding the property as a security for the payment of money, it would be prudent to make a large deduction from the amount of the estimate, and that it would scarcely be safe to rely upon it at more than 150,000.

2. The bank holds a further security, in two judgments, against F H Elmore, Wade Hampton, and others, stockholders of the Nesbitt Manufacturing Company. These judgments were obtained in January, 1842, by the Charleston Insurance and Trust Company on two bonds, one for 20,000, and the other for 10,000. In March, 1845, when there was a balance of at least 17,446 due on them, they were, by arrangement, assigned to the bank, to be held as additional security for the debts of the Nesbitt Manufacturing Company and its stockholders.

3. The bonds and cash in the hands of the Master in Equity, arising from the sale of that part of the property sold to other parties than the bank, 5,140.

4. The certificates deposited by F H Elmore, for 180 shares in the South Carolina Rail Road, and one hundred shares in the Macon and Western Rail

Road, and the mortgage of lands and negroes in Alabama.

Lands, iron works, negroes	150,000
Judgment vs W Hampton and others	17,156
Bonds and cash in the hands of the Master	5,140
180 shares South Carolina Rail Road	12,700
100 shares Macon and Western Rail Road	5,000
Plantation and negroes in Alabama	25,000
Total	214,986

The committee are of opinion that this matter ought to be closed as speedily as possible.

The debt of the Limestone Spring Company. This debt originated in January, 1836, in the form of a note of the President of the Company, indorsed by several responsible stockholders. It was understood that the money was to be laid out in erecting buildings, and making other suitable improvements at the Limestone Springs, which the company were about to establish as a public watering place, and that when the property should be so improved as to render it a sufficient security for the money, the note should be taken up, and a bond of the Company, with a mortgage of the property substituted for it. Accordingly, in January, 1838, when houses had been built and other improvements made on the land, at a cost far exceeding the amount of the loan, and when the enterprise seemed to be successful, the note was withdrawn, and replaced by the Company's bond, with a mortgage of the property. Interest on the bond was paid up to January, 1839, but the principal and the interest after that time were not paid. In 1844, the property was sold under the mortgage, and bought by the bank, nominally, 15,000, but the whole principal of the bond was debited to the account of Real Estate. In September, 1845, the account of Real Estate was credited with 1,677 carried to the account of profit and loss. Towards the close of the same year, the bank sold the property for 10,004, and took the bond of the purchaser for that amount, with a mortgage of the property; so that there was a loss sustained of 11,200 of the principal of the original debt, besides interest for several years. The bond of the purchaser of the property was made payable in five instalments of 2,000 each, of which the two which have become payable, are paid, and there is no doubt that the balance of the debt is well secured.

Among the liabilities of the bank, on the 1st of June, appears an item of 'Bills Payable.' This item may be supposed by some persons to be an indication that the bank is in a weak and unsound condition, and been forced to resort to shifts and expedients, for the purpose of evading or postponing pressing demands upon it. It is proper, therefore, that the matter should be explained. Most of the banks in Charleston are dealers in exchange, and purchase bills to sell them again at a profit. This branch of their business consists mainly of buying bills on England and France, the greater part of which they sell again in New York, whereby they place funds there upon which they draw and sell bills, generally payable at sight. But if they become bill merchants, they must conform to the natural laws which govern that as well as every other trade, and which require that the wishes and demands of buyers, as well as those of sellers should be consulted. It does not always happen that the purchaser of a bill wants one payable at sight. A person who desires to have funds in New York at the expiration of sixty or thirty days, will not place them there much earlier, because in the mean time he would lose the interest on his money. He would not, therefore, buy a bill payable at sight, but prefer one payable about the time at which he desired to have his funds at New York. And he would of course have to pay a less price for such a bill, because in the meantime the seller would have the use of the money. There is no more reason why a bank dealing in exchange should not sell a time bill, than one payable at sight, provided it can make a profit by the transaction. They cannot of course be sold at as high a rate, for the reason which has been stated, but the profit may be the same, though the price is less. The bill for 50,000 which constitutes this item was sold to one of the interior Banks. These Banks keep funds in New York and sell checks drawn upon them, but as they cannot purchase foreign bills in the interior towns to be remitted to New York as the means of placing funds there, they

must either purchase them in Charleston through agents to whom they would have to pay a commission, or purchase bills directly upon New York from the Banks in Charleston, which they often, if not generally prefer to do. For this purpose bills suit them better than checks at sight, because they must not be supposed always to keep a sufficient supply to meet their immediate wants, and buy in anticipation to maintain the supply at the proper level.

That this transaction did not partake in any degree of the character of a shift or expedient, is apparent from the fact that the bank had at the time the bill was drawn, funds in New York to a much larger amount, and could with perfect convenience have drawn it payable at sight. But those funds could also be used to advantage by selling checks at sight and purchasing other foreign bills to be sold again at a profit, and supply the funds for meeting the time bill. The same thing is practised by other Banks which deal in exchange, and of itself furnishes no ground whatever for an unfavorable inference as to the condition of the Bank.

After an examination of the affairs of the Bank as thorough as time and circumstances permitted, and they believe quite sufficient to enable them to ascertain substantially its condition, the Committee are of opinion that by a proper system of collection steadily pursued, in a few years, after redeeming all the other liabilities of the bank, the capital and other funds for which it is accountable to the State, could be realized and put in a form to be applied as the Legislature might think proper. Such a course of proceeding would no doubt occasion inconvenience and embarrassment to a considerable, though comparatively small number of persons, and a few would probably be compelled to new arrangements as to the whole of their property; but these are the natural consequences of incurring heavy debts, and can be avoided in no other way than by indulging the debtors until it suits their convenience to pay.

By the resolution under which the committee were appointed, they were instructed to ascertain and report, without mention of names, what amount is due in each district of the State, and by how many debtors in each district, classifying the debtors according to their business and occupation. A tabular statement of the information required by the resolution is contained in the schedule (G) appended hereto.

Respectfully submitted,

A. MAZYCK,
Chairman Senate Committee;
F. D. RICHARDSON,
Chairman House Committee.

The following are the Resolutions offered as a compromise between the North and South, presented in the Senate of the United States 29th ult., by Mr. Clay, together with the remarks with which that Senator accompanied the Resolutions. Also the remarks of Mr. Rusk and Mr. Foote, intimating objections to the Resolutions. Messrs. King, Berrien and Butler also stated in very decided language many objectionable features embodied in the Resolutions.

Mr. Clay said that he held in his hand a series of resolutions which he desired to submit to the body, which are to be taken in combination. They propose an amicable arrangement of all the questions now in controversy between the free and the slave States of this Union; questions growing out of the subject of slavery. It was not his intention, at this time, to enter into a discussion of the resolutions, but he desired to submit a few observations on each resolution, in order to explain them fully and fairly before they go out to the country, and also a few general observations on the state of the country.

Whether the resolutions shall or shall not meet with the concurrence of the Senate, as he earnestly desired they should, he begged that Senators would give some portion of their time to the consideration of these resolutions before they opposed them; he had devoted a long time to the preparation of them, with a view to the settlement of the difficulties now existing. The resolutions were preceded by a short preamble.

Mr. Clay then read the resolutions accompanying each with remarks. They are as follows:

It being desirable, for the peace and harmony of the Union of these United States, to settle and adjust amicably all existing questions of controversy between them, rising out of the institution of slavery, upon a fair, equitable and just basis, therefore

Resolved, That California with suitable boundaries, ought, upon her application, to be admitted as one of the States of this Union, without the imposition by Congress of any restriction in respect to the exclusion or introduction of slavery.

Resolved, That, as slavery does not exist by law, and is not likely to be introduced into any of the Territory acquired by the United States from the republic of Mexico, it is inexpedient for Congress to provide by law, either for its introduction into, or its exclusion from, any part of the said territory; and that appropriate territorial governments ought to be established by Congress in all of the said Territory not assigned as the boundaries of the proposed State of California, without the adoption of any restriction or condition on the subject of slavery.

Resolved, That, the Western boundary of the State of Texas ought to be fixed on the Rio Del Norte, commencing one marine league from its mouth, and running up that river to the Southern line of New Mexico; thence, with that line, Eastwardly; and so continuing in the same direction, to the line as established between the United States and Spain, excluding any portion of New Mexico, whether lying on the East or West of that river.

Resolved, That it be proposed to the State of Texas, that the United States will provide for the payment of all that portion of the legitimate and bona fide public debt of that State contracted prior to its annexation to the United States, and for which the duties on foreign imports were pledged, by the said State, to its creditors, not exceeding the sum of \$—, in consideration of the said duties, so pledged, having been no longer applicable to that object after the said annexation, but having thenceforward become payable to the United States; and upon the condition also, that the said State of Texas shall, by some solemn and authentic act of her Legislature or of a Convention, relinquish to the United States any claim which it has to any part of New Mexico.

Resolved, That it is inexpedient to abolish slavery in the District of Columbia, whilst that institution continues to exist in the State of Maryland, without the consent of that State, without the consent of the people of the District, and without just compensation to the owners of slaves within the District.

But resolved, That it is expedient to prohibit, within the District, the slave trade in slaves brought into it from States or places beyond the limits of the District, either to be sold therein as merchandise, or to be transported to other markets without the District of Columbia.

Resolved, That more effectual provision ought to be made by law, according to the requirement of the Constitution, for the restitution and delivery of persons bound to service or labor in any State, who may escape into any other State or territory in the Union.

Resolved, That Congress has no power to prohibit or obstruct the trade in slaves between the slaveholding States; but that the admission or exclusion of slaves brought from one into another of them depends exclusively upon their own particular laws.

As to the first resolution: It was acknowledged by all that there had been some irregularity in the movements adopted in California, resulting in the formation of a constitution, and the application on her part for admission into this Union as a State. The course pursued was admitted to be irregular. It was not preceded by any act of Congress defining her boundaries, as was the usual practice heretofore. Michigan was the first State which, without being authorized by an act of Congress, formed a constitution and knocked at the doors of Congress for admission into the Union. He had opposed that departure from the usual practice, but the majority had decided otherwise; but it must be acknowledged that there was far greater reason for the course pursued by California, than there was for Michigan to do what she had done. Happily the event of Michigan's admission into the Union had proved highly advantageous; she was now a bright star in the constellation, and she has sent here to mingle in our councils Senators of great ability, and one particularly of the most distinguished character, and with whom they all might associate with pride and satisfaction.

If California be admitted, too, even with these irregularities, like Michigan, she too may send here Senators actuated by patriotism and a desire to promote the good interests of the country. The resolution provides for her admission into the Union, and forms a part of the general plan he had prepared for the settlement of the difficulties now existing.

The second resolution proposes two